



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0073	Title:	Revise medical marijuana laws
Primary Sponsor:	French, Julie	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
State Special Revenue	\$43,787	\$31,842	\$32,513	\$79,464
Revenue:				
State Special Revenue	\$43,787	\$31,842	\$32,513	\$79,464
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

HB 73 requires the Department of Public Health and Human Services (DPHHS) to provide 3-year registration periods for medical marijuana registrants with a permanent medical condition and to track and verify two additional licensed health care providers, who may provide written patient certification.

FISCAL ANALYSIS

Assumptions:

1. The Quality Assurance Division (QAD) of DPHHS is responsible for the administration of the Medical Marijuana registry and will be the agency charged with carrying out the provisions of HB 73.
2. The operating costs for the Medical Marijuana Program (MMP) registry are funded by the registration fee for applications and renewals of registry identification cards for qualifying patients and caregivers. (50-46-210).
3. The application and renewal fees are deposited in state special revenue account to be used for program administrative costs.
4. The current number of qualifying patients as of January 2009 in the MMP is approximately 1,650.
5. The current number of caregivers as of January 2009 in the MMP is 488.

6. The number of qualifying patients and caregivers continues to grow and currently experiences an average of over 100 new applications per month since January 2008.
7. As of January 2009 there are approximately 1,650 qualifying individuals on the registry and approximately 100 new applicants per month are added to the registry. By the end of FY 2009 it is estimated that over 2,150 qualifying individuals will be on the registry.
8. Each year approximately 92% of the registrants re-new their application.
9. It is estimated that approximately 95% of the qualifying patients will qualify under the 3-year basis with a permanent medical condition.
10. In FY 2010, upon expiration of the 2009 cards, DPHHS will obtain the determination of 3-year or 1-year renewals from the licensed health care provider recommendation.
11. Starting in FY 2010 there are expected to be 1,200 new individuals on the registry (100*12=1200)
12. Currently 175 physicians have recommended treatment out of 3,712 licensed practitioners in the State.
13. Licensed Physician Assistants (391) and Nurse Practitioners (731) will be added to the list of "Health Care Provider" that are able to recommend Medical Marijuana for treatment. It cannot be determined the impact this would have on the number of new practitioners that will be added to the registry, or the number of new applicants for the registry.
14. DPHHS will need to modify and enhance the MMP registry database to include new data elements to track the new health care providers and the new designations regarding permanent medical condition in order to monitor the new 3-year renewal dates.
15. An estimated \$15,000 will be needed to complete enhancements to the system and update reports used to comply with the reporting requirements of the act.
16. An estimated \$5,000 will be needed annually, thereafter, to maintain the database registry, computer programming and costs of reissuing cards.
17. The department currently has a 0.5 FTE designated for the administration of the MMP.
18. The MMP registry has experienced a steady increase in the number of qualifying patients and caregivers between 2005 and 2008. Since the 2007 legislative session, the number of doctors certifying the benefits of the use of medical marijuana has increased by 50%, the number of caregivers has increased by 300%, and the number of approved qualifying patients has increased by 449%.
19. With the expected increase in the qualifying patients, there is an increase in the workload to process all the new patient applications and approved caregivers within the statutory timelines. The changes in the renewal requirements will alleviate workload demands regarding renewals. However, this is replaced by the increased workload regarding new applications, caregiver designations and caregiver changes.
20. DPHHS estimates the need for an additional 0.5 FTE, pay band four, licensing permit technician for FY 2010, FY 2011, FY 2012 and FY 2013 to process new applications and address additional administrative functions, for a total of \$21,987.
21. In FY 2013, DPHHS estimates the need for an additional 1.00 FTE, pay band four, licensing permit technician to process renewal applications that will be due from applicants who applied in FY 2009 and FY 2010. It is estimated that over 4,076 renewal applications will need to be processed in FY 2013. DPHHS will need this additional staff to handle the workload for new and renewal applications.
22. One-time office set-up costs of \$2,600 are included for the additional FTE in FY 2010 & FY 2013. Ongoing operational costs, such as phone and rent, are included in each fiscal year for each additional position for a total amount of 4,200 in FY 2010 with a 2.5% inflationary rate each year thereafter.
23. The application and renewal fee is currently \$50.00.
24. During FY 2008 the total collections from application and renewal fees was \$49,900
25. During FY 2008 the total expenditures for the MMP were \$29,854.
26. The number of applications is increasing and if this bill does not pass, the current fee schedule could be lowered as current program costs are less than expenditures.
27. DPHHS will adjust the application fee so that revenues equal expenditures.
28. Effective date will be October 1, 2009.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.50	0.50	0.50	1.50
<u>Expenditures:</u>				
Personal Services	\$21,987	\$22,537	\$23,100	\$62,818
Operating Expenses	\$21,800	\$9,305	\$9,413	\$16,646
TOTAL Expenditures	\$43,787	\$31,842	\$32,513	\$79,464
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$43,787	\$31,842	\$32,513	\$79,464
TOTAL Funding of Exp.	\$43,787	\$31,842	\$32,513	\$79,464
<u>Revenues:</u>				
State Special Revenue (02)	\$43,787	\$31,842	\$32,513	\$79,464
TOTAL Revenues	\$43,787	\$31,842	\$32,513	\$79,464
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	\$0	\$0	(\$0)	\$0

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date